

HOUSE BILL 2825

By Scroggs

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 5, relative to the taxation of property.

WHEREAS, it has come to the attention of the General Assembly that more frequent local property revaluations and rate increases have created an unusual hardship upon certain elderly citizens; and

WHEREAS, it appears that a solution to certain inequities is to allow qualified citizens to apply for tax freezes under senior citizen assessment status whereby no further increases in value or taxes shall be levied against their primary domicile; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 5, Part 15, is amended by adding the following language as a new section to be designated appropriately:

(a) As a matter of public function and for the purposes contained only in this section, the state board of equalization is authorized to own property, enter into leases, and declare any property owned by it exempt from local property taxes.

(b) Any citizen who is a property owner and taxpayer (applicant) designated herein may apply to the state board of equalization for senior citizen assessment status:

(1) If the applicant has reached the age of seventy (70) years and has been a property owner and taxpayer for at least twenty (20) of the immediate past thirty (30) years of his or her major domicile which is located within the state; or

(2) If the applicant has reached the age of seventy (70) years and has a combined household annual income of less than \$25,000.

Upon receipt of the appropriate application and verification of the facts contained therein, the applicant shall be granted senior citizen assessment status by the state board of equalization. Such status shall entitle the applicant to the right to transfer title and ownership of the applicant's major domicile to the state board of equalization for a consideration of \$1.00. A lease for the domicile at an annual rental of \$1.00 shall be granted the applicant along with an option to repurchase the domicile for consideration of \$1.00. The lease and option period shall extend no longer than twenty (20) years and the option may be exercised at any time during this period.

During the lease and option period, the applicant shall pay to the respective county and, if applicable, the municipality an annual sum in lieu of property taxes in an amount equal to the last full tax year's property taxes due immediately prior to the transfer of ownership to the state board of equalization.

SECTION 2. This act shall take effect immediately upon becoming a law, the public welfare requiring it.